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**Idaho State Bar No. 1752**

Attorney for Creditor / First Security Bank, N.A.  
Our File No. 09-33543

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF IDAHO

9337

IN RE:	)	
	)	Chapter 13
VLADIMIR PANIOUCHKINE,	)	
TATYANA PANIOUCHKINE,	)	Case No. 99-41879
	)	
	)	<b>MOTION TO REMOVE</b>
Debtor(s).	)	<b>AUTOMATIC STAY</b>
_____	)	

COMES NOW, First Security Bank, N.A., pursuant to 11 U.S.C. 362(d)  
Bankruptcy Rule 4001 and Local Bankruptcy Rule 4001.2 and alleges as follows:

**COUNT ONE**

1. That the Debtor(s), VLADIMIR PANIOUCHKINE and TATYANA PANIOUCHKINE, is/are indebted to Claimant upon a loan agreement dated December 9, 1998 whereby said Debtor(s) promised to pay to the order of the Claimant the total of \$38,599.35 plus interest. A copy of said note is attached hereto as Exhibit "A" and is incorporated herein in full by this reference.

2. That as security for said indebtedness, the Claimant claims a lien upon the following described property:

**One 1998 Lincoln Navigator, I.D. #5LMPU28L0WLJ41843**

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(See Exhibit "B" which is attached hereto and by this reference made a part of).

3. That Claimant's lien and security interest in said property is evidenced by the exhibits which are attached hereto and incorporated herein in full by this reference.

4. That Debtor(s) filed their Chapter 13 petition under the provisions of the applicable Bankruptcy Code on or about November 15, 1999.

5. That Debtor(s) are in default under the terms and conditions of the agreement/plan, as stated above, and owe \$41,026.62 as of January 13, 2000. Debtor(s) last paid on October 25, 1999, but are due for September 23, 1999. The amount in arrears is \$4,802.57. Furthermore, Debtor(s) have failed to maintain insurance coverage on said vehicle and Claimant has been forced to obtain insurance to protect its interests

6. That Claimant alleges and believes that the present fair market value of the property is below \$35,400.00 based on: N.A.D.A.

7. That Claimant alleges that the present fair market value of its collateral may not exceed the sums due Claimant and other liens against the property above described, including that of Claimant, and of Debtor(s)' exemptions, although the exemption provision is not an issue herein.

8. That Claimant alleges the estate of Debtor(s) has no interest in the property.

9. That Claimant alleges the above-described property is not necessary to an effective reorganization of Debtor(s).

10. That Claimant does not have and has not been offered adequate protection for its liens and security interest in said property, and if Claimant is not permitted to foreclose its security interest in the collateral, Claimant will suffer irreparable injury, loss and damage.

### **COUNT TWO**

1. That the Debtor(s), VLADIMIR PANIOUCHKINE and TATYANA PANIOUCHKINE, is/are indebted to Claimant upon a loan agreement dated July 20,

1998 whereby said Debtor(s) promised to pay to the order of the Claimant the total of \$25,266.00 plus interest. A copy of said note is attached hereto as Exhibit "B" and is incorporated herein in full by this reference.

2. That as security for said indebtedness, the Claimant claims a lien upon the following described property:

**One 1993 IHC 9700 Semi-Truck-Tractor, I.D. #1HSRKEMR7PH511974**

(See Exhibit "C" which is attached hereto and by this reference made a part of).

3. That Claimant's lien and security interest in said property is evidenced by the exhibits which are attached hereto and incorporated herein in full by this reference.

4. That Debtor(s) filed their Chapter 13 petition under the provisions of the applicable Bankruptcy Code on or about November 15, 1999.

5. That Debtor(s) are in default under the terms and conditions of the agreement/plan, as stated above, and owe \$17,555.02 as of January 13, 2000. Debtor(s) are due for January 20, 2000. Furthermore, Debtor(s) have failed to maintain insurance coverage on said vehicle and Claimant has been forced to obtain insurance to protect it's interests

6. That Claimant alleges and believes that the present fair market value of the property is below \$10,000.00 based on: N.A.D.A.

7. That Claimant alleges that the present fair market value of its collateral may not exceed the sums due Claimant and other liens against the property above described, including that of Claimant, and of Debtor(s)' exemptions, although the exemption provision is not an issue herein.

8. That Claimant alleges the estate of Debtor(s) has no interest in the property.

9. That Claimant alleges the above-described property is not necessary to an effective reorganization of Debtor(s).

10. That Claimant does not have and has not been offered adequate protection for its liens and security interest in said property, and if Claimant is not permitted to

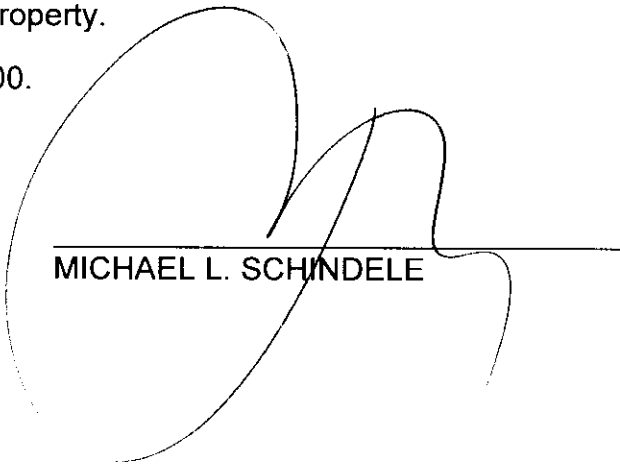
foreclose its security interest in the collateral, Claimant will suffer irreparable injury, loss and damage.

WHEREFORE, Claimant moves the Court to issue an Order against the Debtor(s), the trustee and parties in interest as follows:

1. Removing the stay of 11 U.S.C. 362 as against Claimant and authorizing said Claimant to immediately pursue its remedies against said property by foreclosing upon or reclaiming the same pursuant to the provisions of its Note and applicable local law.

2. In the alternative Claimant prays for an Order of this Court adequately protecting Claimant's lien on the collateral in the form of cash payments to Claimant, additional liens on other unencumbered property of Debtor(s) or imposing such other restrictions on Debtor(s)' use of the collateral as will provide Claimant with the indubitable equivalent of its interest in the property.

DATED this 31st day of January, 2000.



MICHAEL L. SCHINDELE

## SIMPLE INTEREST MOTOR VEHICLE CONTRACT AND SECURITY AGREEMENT

BUYER'S NAME <b>VLADIMIR PANIOUCHKINE</b>		DATE OF CONTRACT <b>12/29/98</b>	Stock No. <b>7378</b>
BUYER'S RESIDENCE OR PLACE OF BUSINESS <b>255 BONNY DR TWIN FALLS ID 83301</b>		ZIP CODE <b>83301</b>	Source <b>SALES</b>
CO-BUYER'S NAME AND ADDRESS		AGREEMENT No.	Salesperson <b>DRIAN ERKE</b>
			Date <b>12/29/98</b>
			Bus. Phone
			Res. Phone <b>539-8928</b>

In this contract the words "we," "us" and "our" refer to the creditor (seller) named below or, upon any assignment, its assigns. The words "you" and "your" refer to the buyer and co-buyer if any named herein and to the heirs, executors, administrators and assigns of such buyer and co-buyer. We sell you the motor vehicle described below (the "vehicle") on credit. The cash price is shown below as the "Total Sale Price." The "Cash Price" is also shown below. By signing this contract you agree to buy the vehicle on credit and agree to pay the Amount Financed, along with a Finance Charge at the Annual Percentage Rate shown below on the unpaid principal balance of the Amount Financed, according to the schedule, terms and agreements shown on the front and back of this contract. If this contract is signed by a buyer and co-buyer, each is individually and together responsible for all agreements in the contract.

## SEE OTHER SIDE FOR ADDITIONAL TERMS AND AGREEMENTS

MAKE <b>98 LINCOLN</b>	MODEL <b>NAVIGATOR</b>	YEAR <b>1998</b>	COCKPIT SEAT <b>29951</b>	VEHICLE IDENTIFICATION NUMBER <b>51MPL12L1WT141843</b>
US <b>D</b>	STATE <b>CO</b>	COLOR <b>GOLD</b>	KEY NO.	REG. NO.

## DISCLOSURES PURSUANT TO THE TRUTH-IN-LENDING ACT

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate. <b>13.785%</b>	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you. <b>\$ 18551.37 (e)</b>	<b>Amount Financed</b> The amount of credit provided to you or on your behalf. <b>\$ 48599.35</b>	<b>Total of Payments</b> The amount you will have paid after you have made all payments as scheduled. <b>\$ 67158.72 (e)</b>	<b>Total Sale Price</b> The total cost of your purchase on credit, including your down payment of \$ <b>5688.80</b> <b>\$ 62158.72 (e)</b>
<b>YOUR PAYMENT SCHEDULE WILL BE:</b>				
Number of Payments <b>72</b>		Amount of Payments <b>793.76</b>		When Payments Are Due <b>Monthly, beginning 01/23/99</b>
One Payment of		One Payment of		One Final Payment of
One Payment of		One Payment of		One Final Payment of
SECURITY: You are giving a security interest in the goods or property being purchased.				
LATE CHARGE: If any payment is more than 15 days late you will be charged the greater of \$10 or 5% of the late amount.				
PREPAYMENT: You may pay your contract in full at any time without penalty.				
See the remainder of this document for any additional information about nonpayment, default and any required prepayment in full before the scheduled date.				

If you are buying a used vehicle with this contract, as indicated in the description of the vehicle above, federal regulations may require a special buyers guide to be displayed on the vehicle.

THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

Si usted está comprando un vehículo usado mediante este contrato según la descripción del vehículo arriba, la ley federal puede exigir que se exhiba una guía especial para el comprador.

LA INFORMACION QUE USTED VE EN LA FORMA DE VENTANILLA PARA ESTE VEHICULO ES PARTE DE ESTE CONTRATO. LA INFORMACION EN LA FORMA DE VENTANILLA DOMINA CUALQUIERER ESTIPULACION CONTRARIA EN EL CONTRATO DE VENTA.

**STATEMENT OF INSURANCE**  
NOTICE: No person is permitted to transfer or assign the purchase of a motor vehicle to another person, or to transfer, or to assign, any insurance through a particular insurance company, agent or broker. You have requested Seller to include in the balance due under this contract the following insurance: Insurance is to expire WITH ☐ BEFORE ☐ AFTER ☐ the due date of the last installment. Buyer requests Seller to procure insurance on the vehicle against fire, theft, and collision for the term of this contract. Any insurance will not be in force until accepted by the insurance carrier.

\$ <u>      </u> DEED, COMP. FIRE & THEFT	Max. \$ <u>      </u>	Perman <u>      </u>
\$ <u>      </u> DEDUCTIBLE COLLISION	Max. \$ <u>      </u>	<u>      </u>
BODILY INJURY \$ <u>      </u>	LIMITS <u>      </u>	Max. \$ <u>      </u>
PROPERTY DAMAGE \$ <u>      </u>	LIMITS <u>      </u>	Max. \$ <u>      </u>
MEDICAL \$ <u>      </u>	Max. \$ <u>      </u>	<u>      </u>
GAP INS. <u>      </u>	Max. \$ <u>      </u>	<u>      </u>
<b>TOTAL VEHICLE INSURANCE PREMIUMS \$ <u>459.88</u></b>		

Name of Insurer       

The foregoing declarations are hereby acknowledged.

DATE        SELLER        BUYER       

**CREDIT INSURANCE AUTHORIZATION AND APPLICATION**  
You voluntarily request the credit insurance described below. If any, and notwithstanding that such insurance is not required, you acknowledge disclosure of the cost of such insurance and authorize it to be included in the balance payable under this contract. Any returned or unreturned credit insurance premiums shall be applied to sums due under this contract. Only the persons whose names are signed below are insured.

CREDIT LIFE	Max. Premium \$ <u>      </u>	<u>      </u>
JOINT LIFE	Max. Premium \$ <u>      </u>	<u>      </u>
CREDIT DISABILITY	Max. Premium \$ <u>      </u>	<u>      </u>
JOINT CREDIT DISABILITY	Max. Premium \$ <u>      </u>	<u>      </u>
<b>TOTAL CREDIT INSURANCE PREMIUMS \$ <u>      </u></b>		

Name of Insurer       

☐ You want Credit Life Insurance ☐ You do not want Credit Life Insurance

☐ You want Credit Disability Insurance ☐ You do not want Credit Disability Insurance

☐ You want Joint Credit Life Insurance ☐ You do not want Joint Credit Life Insurance

☐ You want Joint Credit Disability Insurance ☐ You do not want Joint Credit Disability Insurance

If the boxes above are checked to indicate that you desire Credit Life or Credit Disability Insurance, or both, your signature below means that you agree that you elect the insurance shown above subject to the eligibility requirements, conditions and exclusions set forth in your insurance policy(ies) or certificate(s). If the boxes above are checked to indicate that you do not want Credit Life or Credit Disability Insurance, or both, your signature below acknowledges that fact.

DATE        PRIMARY BUYER        AGE       

DATE        CO-BUYER        AGE       

DEC 21 1998

OPTION ☐ You pay no Finance Charge if the Amount Financed, Item 5, is paid in full on or before        Year        SELLER'S INITIALS       

## THERE IS NO COOLING OFF PERIOD

State law does not provide for a "cooling off" or other cancellation period for this sale. Therefore, you cannot later cancel this contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud.

Buyer and Co-Buyer acknowledge that (1) before signing this contract Buyer and Co-Buyer have read both sides of this contract and received a legible, completely filled-in copy of this contract; and (2) Buyer and Co-Buyer have received a copy of every other document that Buyer and Co-Buyer signed during the contract negotiations.

Buyer's Signature        LATHAM MOTORS  
Co-Buyer's Signature        Seller        D. A. BOYD, TWIN FALLS, ID 83301  
Seller's Address         
By        Address       

ORIGINAL

EXHIBIT A



# IDAHO CERTIFICATE OF TITLE

VEHICLE IDENTIFICATION NUMBER <b>5LMPU28LOWLJ41843</b>		YEAR <b>1998</b>	MAKE <b>LINC</b>	BODY <b>LL</b>	MODEL <b>TK</b>	DESCRIPTION <b>NAVIGTR</b>
2ND VEHICLE IDENTIFICATION NUMBER		ODOMETER READING <b>30031 ACTUAL</b>		DATE <b>01/07/1999</b>		
TITLE NUMBER <b>984103100</b>	PRINT DATE <b>01/14/1999</b>	WEIGHT	LENGTH	WIDTH	HULL	HORSEPOWER PROPULSION

OWNER'S NAME AND ADDRESS

**PANIOUCHKINE, VLADIMIR  
255 BONNY DR  
TWIN FALLS, ID 83301**

OTHER PERTINENT DATA

## Assignment of Title

Federal and state law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

1 ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS): _____ DATE: _____ <input type="checkbox"/> In Excess of Mechanical Units <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Odometer		5 PURCHASER'S PRINTED NAME(S) A _____ B _____	
2 DATE SOLD: _____ SELLING PRICE: _____		6 ADDRESS _____	
3 SELLER'S REPRESENTATIVE'S PRINTED NAME(S) _____		7 CITY _____ STATE _____ ZIP _____	
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. SELLER'S REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/>		8 I am aware of the odometer certification made by the seller. PURCHASER'S REPRESENTATIVE'S SIGNATURE: A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> 2nd PURCHASER'S REPRESENTATIVE'S SIGNATURE (or representative's printed name):	

## Lienholder Section

FIRST LIEN

**FIRST SECURITY BANK**

**PO BOX 7746  
BOISE, ID 83707-1746  
RECORDED 12/09/1998**

SECOND LIEN

9 SIGNATURE RELEASING LIEN \_\_\_\_\_ DATE \_\_\_\_\_  
☒

10 SIGNATURE RELEASING LIEN \_\_\_\_\_ DATE \_\_\_\_\_  
☒  
 11 NEW LIENHOLDER'S NAME \_\_\_\_\_  
 12 ADDRESS \_\_\_\_\_  
 13 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

Alterations May Void This Document

This title contains an eagle watermark that is visible when held to the light.

AUDIT NO. **03746061**

**\$2.00 Fee**

## NOTICE OF RELEASE OF LIABILITY

**\$2.00 Fee**

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN) <b>5LMPU28LOWLJ41843</b>		Year <b>1998</b>	Make <b>LINC</b>	Body Style <b>LL</b>	Title Number <b>984103100</b>
Seller's Full Name: _____		Phone Number: _____			
Address: _____		City: _____		State: _____ Zip: _____	
Odometer: _____		Selling Price: \$ _____		Date Vehicle Delivered to Purchaser: _____	
Purchaser's Full Name: _____		City: _____		State: _____ Zip: _____	

I/we hereby request that the Idaho Transportation Department mark its motor vehicle records to indicate that I/we have transferred the vehicle described above under the provisions of Section 49-526, Idaho Code, which addresses vehicle transfers. However, I/we understand that the motor vehicle record will remain in my name until a new Idaho Certificate of Title is applied for and issued recording the name of the new owner.

X

(Signature of Seller(s))

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS —

EXHIBIT B

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call	Collateral	Account	Officer	Initials
\$25,266.00	07-20-1998	07-20-2001	9001			0037096	16722	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** VLADMIRE PANIOUCHKINE  
255 BONNY  
TWIN FALLS, ID 83301

**Lender:** First Security Bank, N.A.  
BUHL  
200 BROADWAY AVE NORTH  
BUHL, ID 83316



\*FAACIT\*

**Principal Amount:** \$25,266.00

**Initial Rate:** 11.500%

**Date of Note:** July 20, 1998

**PROMISE TO PAY.** VLADMIRE PANIOUCHKINE ("Borrower") promises to pay to First Security Bank, N.A. ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty Five Thousand Two Hundred Sixty Six & 00/100 Dollars (\$25,266.00), together with interest on the unpaid principal balance from July 20, 1998, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 36 payments of \$833.39 each payment and an irregular last payment estimated at \$833.18. Borrower's first payment is due August 20, 1998, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 20, 2001, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year (366 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an index which is the Lender's Prime Rate (the "Index"). The Index is that rate of interest announced from time to time by Lender as its "Prime Rate" and is a reference point from which the cost of credit to customers may be calculated. The "Prime Rate" is subject to change from time to time. "Prime Rate" shall not mean the best or lowest rate, and Lender may make loans at, below, or above the "Prime Rate." Lender will tell Borrower the current Index rate upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. The interest rate change will not occur more often than each day. The Index currently is 8.500% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 3.000 percentage points over the Index, resulting in an initial rate of 11.500% per annum.

**NOTICE:** Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (a) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (b) increase Borrower's payments to cover accruing interest, (c) increase the number of Borrower's payments, and (d) continue Borrower's payments at the same amount and increase Borrower's final payment.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower making fewer payments.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$975.00, whichever is less.

**DEFAULT.** Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the Related Documents. (d) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished. (e) Borrower dies or becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (f) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (g) Any of the events described in this default section occurs with respect to any guarantor of this Note. (h) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired. (i) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (a) cures the default within twenty (20) days; or (b) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon default, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, increase the variable interest rate on this Note to 7.000 percentage points over the Index. The interest rate will not exceed the maximum rate permitted by applicable law. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Idaho. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of TWIN FALLS County, the State of Idaho. This Note shall be governed by and construed in accordance with the laws of the State of Idaho.

**COLLATERAL.** This Note is secured by a Commercial Security Agreement from Borrower to Lender of even date herewith, covering the collateral described therein.

**YEAR 2000 COMPLIANCE (Y2K).** Each Borrower shall take all action that may be necessary or desirable, or that Bank may reasonably request, in order to ensure that the Borrower, its affiliates, and all customers, suppliers and vendors that are material to the Borrower's business, become Year 2000 Compliant on or before August 1, 1999. Such acts shall include, without limitation, (i) performing a comprehensive inventory, review and assessment of all of the Borrower's systems and adopting a detailed plan, with itemized budget and timetable, for the remediation, monitoring and testing of such systems, and (ii) making a detailed inquiry of all material customers, suppliers and vendors to ascertain whether such entities are aware of the need to be Year 2000 Compliant and are taking all appropriate steps to become Year 2000 Compliant on a timely basis. Borrower shall, promptly upon request, provide to bank such certifications or other evidence of Borrower's compliance with the terms of this section as Bank may from time to time reasonably require.

"Year 2000 Compliant" shall mean, in regard to any entity, that all software, hardware, firmware, equipment, goods or systems used by or material to the business operations or financial condition of such entity will properly perform date sensitive functions before, during and after January 1, 2000. Such date sensitive functions shall include, without limitation, (a) interpretation of years greater than 1999, (b) process date data from, into, and between dates before January 1, 2000 and dates on or after January 1, 2000, (c) recognizing numbers such as "99" as an actual date rather than indefinite or unknown information, (d) recognizing that the year 2000 is a leap year, and (e) transferring data between systems that used different methods to make the system Year 2000 Compliant.

**EXHIBIT**



**GENERAL PROVISIONS.** Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.**

**BORROWER:**

X

VLADIMIR PANIOUCHKUE

Variable Rate. Installment.

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.24a (c) 1998 CF1 ProServices, Inc. All rights reserved. (ID-D20 E3.24 037096A.LN C16.DVL)

EXHIBIT

**COMMERCIAL SECURITY AGREEMENT**

Principal	Loan Date	Maturity	Loan No	Coll	Collateral	Account	Officer	Initials
\$25,266.00	07-20-1998	07-20-2001	9001			0037096	15722	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** VLADMIRE PANIOUCHKINE  
255 BONNY  
TWIN FALLS, ID 83301

**Lender:** First Security Bank, N.A.  
BUHL  
200 BROADWAY AVE NORTH  
BUHL, ID 83316



THIS COMMERCIAL SECURITY AGREEMENT is entered into between VLADMIRE PANIOUCHKINE (referred to below as "Grantor"); and First Security Bank, N.A. (referred to below as "Lender"). For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**DEFINITIONS.** The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Agreement.** The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

**Collateral.** The word "Collateral" means the following described property of Grantor:

~~1993 TRANSAMER 1120 SEMI TRUCK VIN #1TTF4220051060399~~ *Delete*

1993 IHC 9700 FLAT BED TRAILER SN #1HSRK0800XPH033182

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All accessions, accessories, increases, and additions to and all replacements of and substitutions for any property described above.
- (b) All products and produce of any of the property described in this Collateral section.
- (c) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described in this Collateral section.
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section.
- (e) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

**Event of Default.** The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

**Grantor.** The word "Grantor" means VLADMIRE PANIOUCHKINE.

**Guarantor.** The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

**Lender.** The word "Lender" means First Security Bank, N.A., its successors and assigns.

**Note.** The word "Note" means the note or credit agreement dated July 20, 1998, in the principal amount of \$25,266.00 from VLADMIRE PANIOUCHKINE to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the note or credit agreement.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

**OBLIGATIONS OF GRANTOR.** Grantor warrants and covenants to Lender as follows:

**Perfection of Security Interest.** Grantor agrees to execute such financing statements and to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to Lender for possession by Lender. Grantor hereby appoints Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender before any change in Grantor's name including any change to the assumed business names of Grantor. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

**No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

**Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

**Removal of Collateral.** Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as are acceptable to Lender. Except in the ordinary course of its business, including the sales of inventory, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Idaho, without the prior written consent of Lender.

**EXHIBIT**

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Maintenance and Inspection of Collateral.** Grantor shall maintain all tangible Collateral in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Grantor shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

**Taxes, Assessments and Liens.** Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Compliance With Governmental Requirements.** Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

**Hazardous Substances.** Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for hazardous wastes and substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement.

**Maintenance of Casualty Insurance.** Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if it so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

**Application of Insurance Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

**Insurance Reserves.** Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

**Insurance Reports.** Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

**GRANTOR'S RIGHT TO POSSESSION.** Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

**EXPENDITURES BY LENDER.** If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

**EVENTS OF DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**EXHIBIT**  
Right FAX '91 PAGE 05

**Default on Indebtedness.** Failure of Grantor to make any payment when due on the Indebtedness.

**Other Defaults.** Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor.

**Default in Favor of Third Parties.** Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Creditor or Foreclosure Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender, in good faith, deems itself insecure.

**Right to Cure.** If any default, other than a Default on Indebtedness, is curable and if Grantor has not been given a prior notice of a breach of the same provision of this Agreement, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such default, (a) cures the default within twenty (20) days; or (b), if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Idaho Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

**Accelerate Indebtedness.** Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

**Assemble Collateral.** Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

**Sell the Collateral.** Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

**Appoint Receiver.** To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

**Collect Revenues, Apply Accounts.** Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

**Obtain Deficiency.** If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

**Other Rights and Remedies.** Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

**Cumulative Remedies.** All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Applicable Law.** This Agreement has been delivered to Lender and accepted by Lender in the State of Idaho. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of the State of Idaho. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

**Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's costs and expenses, including reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor will keep Lender informed at all times of Grantor's current address(es).

**Power of Attorney.** Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

**Successor Interests.** Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

**Waiver.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**YEAR 2000 COMPLIANCE (Y2K).** Each Borrower shall take all action that may be necessary or desirable, or that Bank may reasonably request, in order to ensure that the Borrower, its affiliates, and all customers, suppliers and vendors that are material to the Borrower's business, become Year 2000 Compliant on or before August 1, 1999. Such acts shall include, without limitation, (i) performing a comprehensive inventory, review and assessment of all of the Borrower's systems and adopting a detailed plan, with itemized budget and timetable, for the remediation, monitoring and testing of such systems, and (ii) making a detailed inquiry of all material customers, suppliers and vendors to ascertain whether such entities are aware of the need to be Year 2000 Compliant and are taking all appropriate steps to become Year 2000 Compliant on a timely basis. Borrower shall, promptly upon request, provide to bank such certifications or other evidence of Borrower's compliance with the terms of this section as Bank may from time to time reasonably require.

"Year 2000 Compliant" shall mean, in regard to any entity, that all software, hardware, firmware, equipment, goods or systems used by or material to the business operations or financial condition of such entity will properly perform date sensitive functions before, during and after January 1, 2000. Such date sensitive functions shall include, without limitation, (a) interpretation of years greater than 1999, (b) process date data from, into, and between dates before January 1, 2000 and dates on or after January 1, 2000, (c) recognizing numbers such as "99" as an actual date rather than indefinite or unknown information, (d) recognizing that the year 2000 is a leap year, and (e) transferring data between systems that used different methods to make the system Year 2000 Compliant.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JULY 20, 1998.

GRANTOR:

X   
VLADIMIRE PANIOUCHKINE

THE ATTACHED IDAHO CERTIFICATE OF TITLE IS THE LEGAL OWNERSHIP DOCUMENT FOR YOUR VEHICLE. DO NOT CARRY IT IN YOUR VEHICLE. KEEP IT IN A SECURE PLACE. UPON SALE OR TRANSFER OF THIS VEHICLE, THE NEW OWNER MUST APPLY FOR TITLE WITHIN 30 DAYS TO AVOID A \$20.00 PENALTY.

FIRST SECURITY BANK  
SBCL 3033 ELDER ST  
PO BOX 7446  
BOISE ID 83707-1448

DETATCH HERE

0001607519 DVS01182 1467

IDAHO CERTIFICATE OF TITLE									
VEHICLE IDENTIFICATION NUMBER <b>1HSRKEMR7PH511974</b>					YEAR MAKE BODY MODEL DESCRIPTION <b>1993 INTL CB TK</b>				
2ND VEHICLE IDENTIFICATION NUMBER					ODOMETER READING DATE <b>EXEMPT</b>				
TITLE NUMBER <b>98673385</b>		PRINT DATE <b>10/27/1998</b>		WEIGHT LENGTH WIDTH HULL HORSEPOWER PROPULSION					
OWNER'S NAME AND ADDRESS <b>PANIOUCHKINE, VLADIMIR DBA PAN TRANS 255 BONNY DR TWIN FALLS, ID 83301</b>					OTHER PERTINENT DATA				
<b>Assignment of Title</b> Federal and state law requires that you state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.									
1 ODOMETER READING - Reading is actual unless indicated otherwise. (NO TENTHS): DATE: <input type="checkbox"/> In Excess of Mechanical Limits <input type="checkbox"/> Exempt <input type="checkbox"/> Not Actual - Warning: Odometer Discrepancy <input type="checkbox"/> No Device					5 PURCHASER'S PRINTED NAME(S) A B				
2 DATE SOLD: SELLING PRICE:					6 ADDRESS				
3 SELLER'S/REPRESENTATIVE'S PRINTED NAME(S)					7 CITY STATE ZIP				
4 I certify, to the best of my knowledge, that the odometer reading reflects the actual mileage, unless otherwise indicated. I also hereby release my interest and transfer ownership to the named purchaser. SELLER'S/REPRESENTATIVE'S SIGNATURE: A X B X					8 I am aware of the odometer certification made by the seller. PURCHASER'S/REPRESENTATIVE'S SIGNATURE: A X B X 2nd PURCHASER'S/REPRESENTATIVE'S SIGNATURE (or representative's printed name):				
<b>Lienholder Section</b>									
FIRST LIEN <b>FIRST SECURITY BANK SBCL 3033 ELDER ST PO BOX 7446 BOISE, ID 83707-1448 RECORDED 10/02/1998</b>					SECOND LIEN				
9 SIGNATURE RELEASING LIEN DATE X					10 SIGNATURE RELEASING LIEN DATE X				
					11 NEW LIENHOLDER'S NAME				
					12 ADDRESS				
					13 CITY STATE ZIP				
<b>Alterations May Void This Document</b> This title contains an eagle watermark that is visible when held to the light.									
AUDIT NO. 03644551									

1-97TV

\$2.00 Fee

NOTICE OF RELEASE OF LIABILITY

\$2.00 Fee

PLEASE PRINT CLEARLY — ALL INFORMATION MUST BE COMPLETE — NOTIFICATION BY SELLER IS MANDATORY

Vehicle Identification Number (VIN)	Year	Make	Body Style	Title Number
<b>1HSRKEMR7PH511974</b>	<b>1993</b>	<b>INTL</b>	<b>CB</b>	<b>98673385</b>
Seller's Full Name:		City:		Phone Number:
Address:		State:		Zip:
Odometer:		Selling Price: \$		Date Vehicle Delivered to Purchaser:
Purchaser's Full Name:		City:		State:
Address:		State:		Zip:

I/we hereby request that the Idaho Transportation Department mark its motor vehicle records to indicate that I/we have transferred the vehicle described above under the provisions of Section 49-526, Idaho Code, which addresses vehicle transfers. However, I/we understand that the motor vehicle record will remain in my name until a new Idaho Certificate of Title is applied for and issued recording the name of the new owner.

X

(Signature of Seller(s))

— SEE REVERSE SIDE FOR MAILING/PAYMENT INSTRUCTIONS

**EXHIBIT**